

Before the  
**Federal Communications Commission**  
 Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
 )  
 Federal-State Joint Board on )  
 Universal Service )  
 Promoting Deployment and )  
 Subscribership in Unserved )  
 and Underserved Areas, Including )  
 Tribal and Insular Areas )

CC Docket No. 96-45

### COMMENT OF SMALL BUSINESS IN TELECOMMUNICATIONS

Small Business in Telecommunications (SBT) is a non-profit association of hundreds of independent businesses, whose members provide a host of telecommunications services and equipment throughout the United States, including private carrier systems, community repeaters, SMR, paging, microwave, and more. Its members provide radios for customers' design and operation of private internal radio systems and shared radio service which is customized for the purpose of serving the unique needs of business and industrial radio users.

SBT offers hereby offers its assistance to the Commission in this proceeding, requesting that the agency consider the needs of small business and its owners and employees which depend on the agency to provide continued opportunities to compete in the telecommunications marketplace. Accordingly, SBT offers the following:

#### SBT Supports The Commission's Efforts

SBT supports and applauds the Commission's efforts to find the most appropriate method of complying with the mandate of the Telecommunications Act of 1996 (Act) to provide access to

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telecommunications and information services in rural, high-cost and insular areas.<sup>1</sup> Across the nation, access to telecommunications services is becoming an increasingly essential tool for business and public safety applications. Access to telecommunications is the gateway to emergency services, the internet, and a myriad of business opportunities. The Act's mandate vividly displays Congress' desire to guarantee all Americans a basic level of access to the telecommunications services that have become so integral to our society as we approach the millennium.

#### Determining the Appropriate Minimum Level of Access

Telecommunications services have expanded greatly in recent years. The question is, therefore, contained within the Commission's Notice as to what level or types of service did Congress intend to guarantee; or, alternatively, what should the Commission interpret that guarantee to include. In response, SBT suggests the following: (i) basic telephone service and interconnection; (ii) wireless services when wired services are either unavailable or economically infeasible, e.g. rural radio service; and (iii) public safety dispatch services such as fire, ambulance and police protection. To expand the interpretation beyond these areas will likely create an inclusion of services which include discretionary uses of telecommunications, rather than basic, necessary services of the type to be guaranteed.<sup>2</sup>

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<sup>1</sup> See, 47 U.S.C. §254

<sup>2</sup> SBT further recommends that other services should be allowed to be provided under Congress' mandate in those rural areas which are presently unserved. For example, if a rural or unserved area is not provided paging or cellular service, the Commission should provide priority in its processes to those entities who demonstrate a willingness to provide such services. Such willingness would benefit small businesses which are often willing to invest in rural and unserved areas, e.g. paging services under waiver of the Commission's present freeze. Accordingly, the agency would meet its mandates under both Sections 254 and 257 of the Act.

Additionally, since the basic service to underserved and unserved areas is to be funded by carriers, it is appropriate to not over burden carriers by setting out a Christmas List of services under the umbrella of basic services. The act of participation in funding is a pooling of resources without direct benefit for the participants in the pool. Although the Act appears to mandate charity of a kind, the Act should not be viewed as an opportunity to eliminate the profitability of participants for the proposed benefit of residents in relieved areas. Instead, the tithing that is a portion of the pooling system should reflect a reasonable distribution for basic, necessary services. It would be inequitable to create a system which results in distribution of services at a greater level to those who would receive such services without charge due to economic conditions, than those services ordinarily relied upon by non-disadvantaged persons.

#### Determining the Appropriate Source to Fund Access to Telecommunications Services

While it is easy to come to agree that the Congressional mandate to provide telecommunications access to all Americans is laudable, determining the most appropriate means to satisfy the mandate is more difficult. SBT asserts that the most appropriate method of satisfying the Act's mandate is to require that Local Exchange Carriers (LEC) either provide or fund the level of access required by the Telecommunications Act of 1996.

LECs currently provide the basic level of telecommunications service that is most essential in our society in all areas of the country where it is or has been profitable to do so. Through the LECs, parties are able to access emergency services, the internet, acquaintances, and relatives. The infrastructure to provide this access has been in place for years in populated areas, and LECs have

enjoyed unimpeded control over their markets and the infrastructure therein. With such strong inroads into the existing markets, it is logical to require LECs to stretch the bounds of existing markets to include, at some basic level, the currently under-served or unserved rural, insular and high-cost areas of our nation.

Second, as LECs are currently seeking to enter diverse telecommunications markets, SBT believes the Commission should demand that as a precondition to new market entrance, LECs provide basic service to all under-served and unserved areas within a LECs region. Such a prerequisite would establish a new market entry cost that would directly address a situation that the LECs have failed to address of their own accord. LECs have the resources and play a role in the market that makes them the most appropriate entities to shoulder the burden of the Act's mandate.<sup>3</sup>

In contrast, small local operator should receive the Commission's forbearance from participation in funding or delivering the basic service. Local operators' contribution, when provided on a pro rata basis, would not be significant in the creation and maintenance of the pool, therefore there is no compulsion to include small operators. The cost of participation by small business is not justified by the end result in monies or services which might be delivered to the underserved public. And the agency should act now to consider the burden which is might place on

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<sup>3</sup> For example, SBC's intended merger with Ameritech might be conditioned on SBC's willingness to provide basic service to under and unserved regions throughout SBC's and Ameritech's market areas, which service would be made available within five years following the approval of the merger.

small business, rather than wait for future consideration under its Regulatory Flexibility Act analysis.<sup>4</sup>

### Conclusion

SBT asserts that the most appropriate entities to provide basic service to under-served and unserved areas of the nation are LECs and large cellular and PCS providers in possession of geographic area licenses to provide telephone service. These entities have the resources to provide such service; and wireless carriers are already encouraged, as a pre-condition of their licenses, to provide service to the areas currently under-served. To require participation from small telecommunications providers would put an undue burden on those entities, and would do little to assist the Commission to achieve its goals.

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<sup>4</sup> See, 5 U.S.C. §610.